

Legislative Overview for AZDFI | 2017

The Arizona State Fifty-Second Legislature, second regular session, adjourned *sine die* on May 10th, 2017 at 7:00 PM. The following bills were passed and signed into law by Governor Doug Ducey. If you have questions relating to the bills below please contact the Department's Legislative Liaison at sbriggs@azdfi.gov. The general effective date for legislation is August 9, 2017 unless otherwise stated.

Please be advised that this list is not comprehensive and therefore may not include all bills that directly or indirectly affect DFI licensees. Please visit the state legislature's website at <http://www.azleg.gov/> for more information.

Laws 2017, Chapter 334 (S1197): Real Estate Appraisal

ARS Titles Affected: [6 32 41](#)

- Replaces the term board with superintendent in the applicable sections of statute.

Amends [ARS § 32-3601](#):

- Defines the Department to mean the Department of Financial Institutions.
- Removes the requirement that a supervisor appraiser must personally inspect each appraised property with their registered trainee.

Amends [ARS § 32-3605](#):

- Requires the Superintendent to:
 - Establish administrative procedures for processing applications for licenses and certificates, including registration certificates;
 - receive applications for state licenses and certificates;
 - maintain a registry of the names and addresses of people who are registered, licensed or certified;
 - retain records and all application materials submitted to the superintendent;
 - publish on the department's website a current list of supervisory appraisers and registered trainee appraisers;
 - administer the disciplinary process in a complaint against a contract investigator;
 - define continuing education requirements for registered trainee appraisers;
 - transmit a listing of state-certified appraisal management companies monthly to the appraisal subcommittee; and
 - collect the annual National Registry Fee for appraisal management companies.
- Repeals the requirements that the Superintendent must determine if a scarcity of state-licensed or certified appraisers exists for federally related transactions.

Amends [ARS § 32-3607](#):

- Establishes the Appraisal Subcommittee Fund for prompt remittance of National Registry appraiser and appraisal management company fees to the Appraisal Subcommittee.

Amends [ARS § 32-3609](#):

- Provides that all department documents associated with complaints are confidential records.

Amends [ARS § 32-3632](#):

- Directs monies collected from civil penalties and administrative hearing costs to the Department Revolving Fund.

- Allows appraisal management companies to appeal to the Office of Administrative Hearings and receive a hearing before an Administrative Law Judge.
- Repeals the Board of Appraisal Fund and transfers all unexpended and unencumbered monies remaining in the Board of Appraisal Fund to the state General Fund.

Amends [ARS § 32-3661](#):

- Specifies the amount of independent contractors for both in-state and out-of-state appraiser panels that meet the definition of an appraisal management company.
- Defines appraisal management services as:
 - recruiting, selecting and retaining appraisers;
 - contracting with state-licensed or certified appraisers to perform appraisal agreements;
 - managing the appraisal process, including reporting and fee collection; or
 - reviewing and verifying the work of appraisers.
- Defines appraisal panel as a network, list or roster of state-licensed or certified appraisers approved by an appraisal management company to perform appraisals as independent contractors, including appraisers accepted for future assignments and secondary mortgage market participants.
- Deems an appraiser an independent contractor if treated as such by the appraisal management company for federal income tax purposes.

Amends [ARS § 32-3662](#):

- requires appraisal management company applicants to include the name, residence address, business address and telephone number of each person who will have at least 10 percent of company ownership, rather than each person who will have an interest in the company.
- Requires appraisal management companies to consent to Department reporting and examination of records by the Superintendent.

Laws 2017, Chapter 26 (H2073): Govt Deposits; Investment; financial Institutions

ARS Titles Affected: [6](#), 9, 35, 45, 48

Amends [ARS § 6-851](#):

- Allows Trust companies' liquid capital to include deposits to a single depository where excess deposit insurance is provided through a reciprocal deposit arrangement by participating banks.

Amends ARS §§ 9-921, 9-957, 35-332.01, 35-466.05, 35-467.05, 48-1778, 48-1798, 48-1915:

- Allows the following to be invested with an eligible depository;
 - monies of police and firefighter pension funds;
 - proceeds from grant and revenue anticipation notes;
 - revenues of a county water authority;
 - monies of an electrical district, including monies in a bond retirement fund; and
 - monies in a sinking fund of a hospital district.
- Removes statutory references relating to investing entities.